

State of Illinois
OFFICE OF THE GOVERNOR
Springfield, Illinois 62706

George H. Ryan
GOVERNOR

August 1, 2001

To the Honorable Members of
The Illinois State Senate
92nd General Assembly

Pursuant to Article IV, Section 9(b) of the Illinois Constitution of 1970, I hereby veto and return Senate Bill 165, entitled "AN ACT in relation to public aid."

Senate Bill 165 allows the Department of Public Aid (DPA) to undertake a disease management pilot project for patients with chronic diseases. The bill is permissive regarding establishment of a disease management program at DPA and makes any such program subject to appropriation. A disease management program may cover, but is not limited to, diabetes, congestive heart failure and chronic obstructive pulmonary disease. If a program is implemented, the bill mandates DPA to work with medical experts, advocacy groups and academic institutions to develop criteria for selecting an outside operating vendor. The selected vendor may not be in the business of marketing services other than disease management to DPA. Also, Senate Bill 165 requires DPA to assess the outcomes of any pilot project to determine if patient health improves and Medical Assistance costs decline.

Although the intent of this legislation is laudable, there are several factors concerning Senate Bill 165 that trouble me as Governor. First, Senate Bill 165 is unnecessary legislation, as DPA can pursue disease management projects within its current statutory authority. The Department has been examining the possibility of developing a disease management pilot as a means of both improving client health and controlling Medicaid liability. Absent limitations imposed by this legislation, I believe such a program can be crafted to achieve these goals and still fit within DPA's fiscal year 2002 budget.

Second, the bill's marketing limitation might reduce the available vendor pool and could increase the operational cost of any disease management project. This runs counter to one of the main goals of disease management programs; lowering costs. In tight budgetary times, we should be looking to achieve high quality services at the best available prices.

Third, limits on appropriate vendors may restrict the Department's ability to target disease management programs in certain areas of Illinois. I believe the state should be free to direct potential programs to areas most in need of disease management services.

Finally, while making any disease management project subject to appropriation, Senate Bill 165 may cause pressure to fund a program of a type and scope not assumed in the fiscal year 2002 budget. Any further spending proposals will put more stress on an already tight Medicaid budget. In addition, significant Medicaid cost savings resulting from such disease management efforts will likely not be realized until after fiscal year 2002.

If the honorable members of the General Assembly wish to encourage the development of successful disease management programs, I would suggest a cooperative effort with the appropriate state agencies, rather than enactment of restrictive legislation.

For these reasons, I hereby veto Senate Bill 165.

Sincerely,
George H. Ryan
GOVERNOR